

Dear Sir or Madam,

Carrefour Management, and in particular Mr Luc Vandeveld, Chairman of the Supervisory Board, have been deeply touched by the tragic accident that occurred April 11th, 2005 in Bangladesh. Since then, we have kept you informed through different channels of the latest measures taken by Carrefour. This letter should answer your questions more fully.

Reminder of the facts:

- At the head of its 430,000 employees, Carrefour takes full responsibility for its workers in terms of both human and material aspects, and does its best to guarantee a maximal safety level and avoid risks. **Towards its suppliers, Carrefour has been committed since 2000, over and above its legal responsibilities, with FIDH and UNI, to continually improve the respect of workers fundamental rights and apply them via a supplier charter and a standard and social audit system.** *(a policy that represents more than 706 audits out of which 115 re-audits have been realized on Carrefour's initiative and financed by the group).*

Nevertheless, no measure can guarantee zero risk and **Carrefour neither can, nor wishes to substitute States, suppliers or civil society stakeholders, each of them having their role to play, and their means of action and control.**

- As Carrefour no longer works with Shahriyar Fabric Industry Ltd on a regular basis, it was in the case of a one-off supply that the company Shahriyar delivered 130,000 textile pieces from its Spectrum plant in November 2004. To put this into context, we remind you that in 2004 Carrefour ordered 39 million textile pieces in Bangladesh through local Carrefour teams. As such, **it is in a humanitarian and local spirit of solidarity that the Carrefour teams in Bangladesh have taken immediate action, answering at the local level to the BGMEA (Bangladesh textile federation) aid demand; to do so, they called a NGO specialized in emergency help, FRIENDSHIP, with whom Carrefour had already worked with. FRIENDSHIP takes care of organizing the census and distribution of aids to families** *(according to our sources, 64 people died and more than fifty were injured, 13 of them being seriously injured)*

All the analyses performed and **the latest information received from the BSCI (22 July)** lead to the same conclusion: the reasons of this tragic accident are linked to a building defect, and more specifically to the quality of the concrete used to bind metal structures to supporting columns. Obviously, the kind of social audit we perform (as the name indicates), does not allow us to validate the technical conformity of the building, as this requires particular skills and does not fit into our habitual prerogatives. Nevertheless, following this drama, and as we continually want to improve our approach, **we have asked the audit firms mandated by Carrefour to systematically include in their documentary review, the building permits and legal authorizations (in addition to the requirements relating to the official visits made).** Carrefour has asked its suppliers in Bangladesh to show the documents relating to the building safety. During a plenary ICS meeting of the FCD, Carrefour proposed to include reviews concerning the building and activity permits and legal authorizations in the audit used by all the participants. This proposition was approved and set up right away, allowing everybody to mutualize and multiply their missions.

- **Thanks to the presence of Carrefour teams in Bangladesh and to the Carrefour audit process, relations had been built up with local NGOs like KN and Friendship, long before the accident.** Besides, during the last years, Carrefour's global approach had been reinforced especially in Bangladesh by a **mission raising workers and management awareness of everybody's rights and duties. This mission, to which KN was associated, has to be followed by further training campaigns. Run by KN, these actions will take place in the framework of INFANS, therefore, in a fully transparent way with the FIDH, and the funds necessary to carry out the operation have already been released by Carrefour.**

These facts demonstrate that the Carrefour Group does not protect itself behind its sole legal responsibility. Carrefour works to improve working conditions and uses all its weight and its leading role to serve important objectives and to apply important principles such as the ILO conventions through the Supply Charter. **Carrefour carries out its actions on a daily basis, without media support or marketing benefit. It does not only act when current news and media focus on certain breaking news.** The Bangladeshi associations with whom Carrefour has worked these last years, could testify to this.

Aid to the victims

Carrefour was criticized for not reacting after the accident, while actually Carrefour made the donation to Friendship before the decision to create an aid fund managed by OXFAM was taken. As for the relevance of our choice, it should be noted that Carrefour had existing relations with a few local NGOs (KN and Friendship) **which allowed us to be among the first to answer with concrete donations for family needs. The Friendship program started with an inventory, contacts and interviews and led to the first donations being distributed on June 8th.** The Friendship objective was to bring a targeted aid, and above all the means to allow the families to recover from the disaster. **It is in this way that, from the money given by the different private actors (Carrefour included), Friendship has distributed goods of all kind, like sewing-machines and vans.** We have the detailed inventory which will be updated as the donations continue to be distributed.

- **Although Carrefour was not invited to the meetings organized in situ last June, our teams present there have been able to develop numerous contacts** (Christian Van Mitzlaff (Lift), Amirul Haque Amin, the general secretary of the National Garments Workers Federation (NGWF), Roy Ramesh Chandra, the general secretary of the United Federation of Garment Workers (UFGW)). **We have also been able, at a number of occasions, to meet representatives from BSCI and to exchange about this visit report.**

On June 29 th, according to the BSCI report, it appeared that:

- Care and treatment were ministered to the injured, 13 seriously injured having been transported to a private hospital, said to be the best in Bangladesh.
- The account of the company Shahriyar having been freed since June 30th, Mr Shahriyar was able to proceed with the payment of the salary and overtime., These payments were made according to the employees assertions since most of the documents disappeared during the accident.
- According to the BGMEA, 533 workers have found other work, 145 are still jobless (250 according to the union). The BGMEA sent a letter asking all its members to welcome 5 additional employees per plant. Shahriyar has committed itself to participate in the search for solutions for all the jobless.

The Carrefour Group, through its local team and with the participation of the NGOs with whom it works (KN and Friendship), keeps on following carefully the flow of the aid brought to the populations and the processes taken by the different stakeholders. As such, letters were sent to formalize our request to participate to the next roundtables and next forums, so that everybody can be associated with the work already performed and therefore improve the synergy of everybody's actions.

Sincerely,

Roland Vaxelaire
Quality, Responsibility and Risk Management Director